

Employer¹ Declaration of Declination Form

INSTRUCTIONS

This form is for use by employers who are not represented by a broker.

Before the State Compensation Insurance Fund (“State Fund”) will provide a quote for a workers’ compensation policy to an employer with an EAP greater than \$25,000, that employer must demonstrate that he/she has already exercised a reasonably diligent effort² to obtain workers’ compensation insurance from **three** other workers’ compensation insurers. The required search for coverage may be accomplished either by contacting an insurer directly, an insurance agent representing an insurer, or an insurer’s Managing General Agent (“MGA”). Only after the attempt to find insurance from other carriers has been accomplished and is unsuccessful may the employer seek a quote from State Fund.

You should fill out the “Proof Declination” form listing each of the insurers/agencies/MGAs contacted. All of the information requested on the form must be completed for each of the three insurers that decline to issue you a policy.

In addition, you must provide State Fund with the notice of non-renewal or cancellation received from your current insurer (unless you are a new employer who has never previously required workers’ compensation insurance), and that notice must provide evidence that the non-renewal/cancellation is for reasons beyond your control.

Please be aware that if you have been non-renewed/cancelled for reasons within your control, additional information must be submitted in order for your application to be considered through SCIF’s Appeal Process. It is your responsibility to remedy that cause and maintain your current policy [for cancellation your rights are spelled out in Insurance Code Section 676.8 (c)]³.

¹ Employers with an Estimated Annual Premium (EAP) of greater than \$25,000.

² “Reasonably diligent efforts” is defined as contacting other admitted insurers writing workers’ compensation insurance in California (State Fund will assist in identifying those insurers to the extent possible) and securing all of the information required on the proof of declination form.

³ You may obtain a copy of this Insurance Code section from State Fund.